Legislative Audit Division

State of Montana

Report to the Legislature

May 1999

Information System Audit Follow-up

Child and Adult Protective Services System (CAPS)

Department of Public Health and Human Services

This report provides follow-up information on recommendations from an information systems audit of the Department of Public Health and Human Services CAPS system (97DP-06). Follow-up results indicate most of the recommendations addressed in the original report are either fully or partially implemented. This report outlines the status of recommendations not fully implemented, including:

▸ **Programmer access to production data.**

▸ **System programming changes.**

▸ **CAPS/SBAS reconciliation.**

Direct comments/inquiries to:
Legislative Audit Division
Room 135, State Capitol
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99DP-05

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May 1999

The Legislative Audit Committee
of the Montana State Legislature:

This is a follow-up report of our information system audit (97DP-06) of general and application controls over the Child and Adult Protective Services System at the Department of Public Health and Human Services. The original report included recommendations for improving controls within the data processing environment. This report discusses the prior recommendations not fully implemented by the department.

We thank the department for its cooperation and assistance throughout the audit.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

Child and Adult Protective Services System (CAPS)

Department of Public Health and Human Services

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**Department of Public
Health and Human Services**

Laurie Ekanger, Director

Chuck Hunter, Administrator, Child and Family Services Division

Mike Billings, Administrator, Operations and Technology Division

Amy Strom, Acting Chief, External Systems Bureau

Connie Griffith, Chief, Operations and Technology Division - Fiscal Bureau

Pat Gervais, Chief, Child and Family Services Division - Fiscal Bureau

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Chapter I - Introduction

Introduction

We performed a follow-up review of the information system audit of the Child and Adult Protective Services (CAPS) System (97DP-06). The original report, issued in November of 1997, contained 18 individual recommendations for improving existing controls within the department's electronic data processing environment. This report outlines the status of the prior recommendations not fully implemented.

System Background

CAPS is an online statewide child and adult welfare management system that supports protective services, foster care and adoption, services to the aged, and services to juvenile corrections. CAPS automates case management, provider licensing, financial accounting, payments for services, provider training, contract management, and reporting functions.

CAPS processes transactions online and through overnight batch processes at the Department of Administration's mainframe computer center. Users connect to CAPS through personal computers located within regional and county offices. CAPS is used by over 900 employees at the Department of Public Health & Human Services and Department of Corrections.

Background on Original Audit

The original audit reviewed general controls specific to the CAPS data processing environment, including organization, procedural, system development, physical security and electronic access controls.

The audit also reviewed the department's application controls over data processed by CAPS. The audit evaluated data input controls, primary processing functions, including case management and fiscal reporting, and the reliability of selected system output, both online and hard copy reports.

Follow-up Scope

The objective of our follow-up audit was to determine the implementation status of the original audit recommendations. We interviewed department personnel and reviewed supporting documentation. Listed below are prior recommendations the department has implemented since the original audit.

-- Establish priority for user acceptance testing procedures to ensure development results meet user expectations.

-- Restrict user access to CAPS according to job duties.

-- Establish uniform intake procedures to ensure completeness and accuracy of data entry and eligibility determination.

-- Establish priority through personnel assignment to review and correct CAPS processing errors.

-- Redesign the error exception report to facilitate regional office review and correction of data processing errors.

-- Define minimum required case note justification and follow established procedures to include the justification in CAPS for special transportation services.

-- Establish policies to ensure consistent case note management within CAPS.

-- Maintain authorization controls as designed and implemented in CAPS.

-- Review and correct CAPS transaction funding sources according to client eligibility.

-- Establish consistent procedures among statewide CAPS users to ensure proper funding source selection according to client eligibility.

-- Review and correct system generated adjustments to ensure funding sources are processed through CAPS in accordance with actual client eligibility.

-- Work with Department of Corrections and youth courts to resolve CAPS accounting issues and improve management information.

--   Provide additional training to CAPS users over CAPS operation and department policies and procedures.

--   Establish a complete audit trail for CAPS, which includes client eligibility history. CAPS historical information used to be overwritten through an interface with The Economic Assistance Management System. The department no longer uses this interface, therefore, client eligibility history shows on CAPS.

Implementation status of recommendations is listed below:

Table 1
Implementation Status of Recommendations

Implemented	14
Partially Implemented	2
Not Implemented	_2_
Total Recommendations	18

The following chapter discusses the four recommendations not fully implemented. The department's response to this follow-up is included on page 9.

Introduction

This chapter discusses the status of prior recommendations not fully implemented by the department. The department concurs with the prior recommendations and continues its progress toward complete implementation.

Programmer Access to Production Programs and Data

During the original audit, we determined all programmers assigned to the CAPS development project had unlogged write access to production programs and data. As a result, we recommended the department restrict this access.

Recommendation #3: We recommend the department restrict access to CAPS production programs and data according to programmer job functions.

The recommendation is partially implemented. The department has developed a shared user identification and password system which allows only one programmer to access the CAPS production files at a time. The department believes the access is necessary to facilitate problem resolution. Programmers control a manual log to document any change to production information. However, the department is unable to determine accountability if the programmer fails to record the change in the log. In addition, the shared password is printed on each page of the manual log, mitigating the effectiveness of the control.

CAPS contains data that is highly sensitive, such as foster children's names and personal background information. The log shows that programmers have the ability to make changes to this confidential protective services data. Examples of logged entries include:

- ". . . added a worker approval with ****'s ID on it. The payment only had a central office approval, so the payment looked funny when it displayed . . ."

- "Updated SBAS document ******* so that it matched SBAS."

This type of write access could allow programmers to make undocumented changes to transaction files and programs. The department should fully implement the prior audit recommendation by

limiting programmer access to the test environment, or at a minimum, ensure individual programmer accountability when accessing production data. The department should also ensure the password remains private and not display it on the log.

Correction and Resubmission of Data Entry Errors

Transactions which do not pass system edits must be corrected and resubmitted for processing before CAPS will authorize payment to the service provider. During the original audit we found that in some cases the department bypassed CAPS and issued warrants directly through the Statewide Budgeting and Accounting System (SBAS) in order to pay providers. Because the errors have not been corrected, CAPS does not report all service provider activity.

Recommendation #5C: We recommend the department update CAPS to include all service provider payment activity.

This recommendation has not been implemented.
The department redesigned the error exception report, and prioritized the review and correction of CAPS processing errors. However, CAPS has not been updated to record direct payments made on SBAS. Therefore, CAPS still does not report all service provider activity. The department has submitted a request to correct this, but other system modifications have been given a higher priority.

System Generated Adjustments

Due to changes in client eligibility, financial specialists can request central office employees to adjust previously processed CAPS transactions. Adjustments include changing the funding source for services charged. However, the prior audit found cases where CAPS automatically reversed the central office adjustments rather than recognizing they were reasonable, given online supporting documentation.

Recommendation #10B: We recommend the department correct CAPS program logic to ensure accurate funding sources are processed.

This recommendation has not been implemented.
The department has requested the contractor address this recommendation, but the program logic change has not been made. The

department has developed an automated process to alert the social worker when CAPS automatically reverses central office adjustments. Currently, financial specialists manually review each transaction and verify that the funding source is reasonable.

Reports for Reconciling CAPS to SBAS

CAPS interfaces with and updates SBAS through a nightly update process. The original audit determined that the department has attempted to reconcile activity between CAPS and SBAS. However, available CAPS reports did not include enough detail to be used as a reconciliation tool. Due to additional errors and an undetermined number of adjustments, we recommended the department reconcile the two systems.

Recommendation #11: We recommend the department reconcile CAPS to SBAS to ensure financial information reported on the state's accounting records is complete and accurate.

**This recommendation has been partially implemented.**
The department is developing CAPS reports that will facilitate reconciliation with SBAS. They are making progress, and department personnel indicate the reconciliation is top priority. With the implementation of MTPRRIME as a replacement to SBAS, a complete reconciliation prior to conversion is critical to ensure accurate financial reporting.
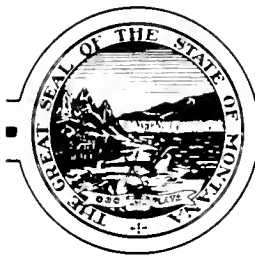
DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES

MAY 2 1 1999

May 20, 1999

Scott A. Seacat
Legislative Auditor
P. O. Box 201705
Helena, MT   59620-1705

Dear Mr. Seacat:

The following are the Department of Public Health and Human Services responses to the recommendations made in the Information System Audit Follow-up of the Child and Adult Protective Services System (CAPS).

Recommendation #3: **We** recommend the department restrict access to CAPS production programs and data according to programmer job functions.

Response: Concur.   In addition to steps outlined in our previous response, the department has added other security processes to ensure programmer accountability in accessing the database for production changes.   The department contacted ISD and a trace was executed on the data set used by CAPS for production changes by programmers.   This trace will allow ISD to track any and all changes made by the department's DMLO ID#.   In addition, the department has removed the password from the programmer log.   The password is now controlled/changed by state staff who also have the ability to do spot checks on the programmer log to ensure proper log-in procedures, which includes the ability to cross-check the programmer logged in with the actual functions performed.

Current Status: Complete.

Recommendation #5C: We recommend the department update CAPS to include all service provider payment activity.

Response: Concur. Although direct payments on SBAS can be entered on CAPS as "history only", they can not be attributed to a specific service provider or client without actually processing through CAPS. The department recognizes that in order to enter the service provider payment transaction activity into CAPS without generating another warrant (i.e. double payment), a system change is necessary.   This change request was reviewed and ranked as a number one priority by the CAPS financial accuracy and advisory committee in May of 1998.   The implementation date cannot be estimated because of the large number of other uncompleted system changes ranked ahead of it.   It is the intent of Child and Family Services Division (CFSD) management to pursue

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changes to the prioritization of CAPS maintenance and enhancement requests so that this process more closely reflects CFSD management priorities.

Recommendation #10B: We recommend the department correct CAPS program logic to ensure accurate funding sources are processed.

Response: Concur. The department recognizes that in order to ensure accurate funding decisions by the system, a system change is necessary. The program logic error has been identified and is confined to an area of funding activity that can be corrected using existing internal controls. This change request was reviewed and ranked as a number one priority by the CAPS financial accuracy and advisory committee in May of 1998. The implementation date cannot be estimated because of the large number of other uncompleted system changes ranked ahead of it. It is the intent of Child and Family Services Division (CFSD) management to pursue changes to the prioritization of CAPS maintenance and enhancement requests so that this process more closely reflects CFSD management priorities.

Recommendation #11: We recommend the department reconcile CAPS to SBAS to ensure financial information reported on the state's accounting records is complete and accurate.

Response: The department has reconciled CAPS activity to SBAS for fiscal year 1998 and is in the process of completing the ongoing reconciliation for fiscal year 1999. Reports that facilitate the reconciliation process only became available in July 1997 and were not available at the inception of the system in February 1996. As a result, a complete reconciliation of the CAPS system to SBAS has not been made. The department is working with the system developer to obtain the financial information from the system it can for this early period in order to complete a reconciliation before the implementation of MT PRRIME. The need to complete the reconciliation of the two systems is a top priority of the department.

We appreciate the effort that has gone into your examination of the functioning of CAPS. Your recommendations and follow-up review are of value to us in maintaining the on-going integrity of the system.

Should you have questions, please do not hesitate to contact me.

Sincerely,

Michael G. Billings, Administrator
Operations & Technology Division